

Republican parties who want to increase military spending by well over \$100 billion in the next 6 years. We give, as a Nation, \$125 billion a year in corporate welfare to large corporations who do not need that money. There are people on the floor of this House now who are saying Bill Gates needs a tax break. Billionaires need a tax break.

Mr. Speaker, if we can spend billions on corporate welfare, billions on wasteful military spending, billions on tax breaks for those who do not need it, we can certainly afford \$7.5 billion a year more for the working families of this country so that we can move toward that day when every person in this country, young, middle-aged, old, will be able to get the higher education they need.

This is a smart investment for America. I congratulate the gentleman from Massachusetts and the gentleman from Georgia for their work on this, and I will do my best to see that it passes.

SUPPORT THE READY CREDIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. NETHERCUTT) is recognized for 5 minutes.

Mr. NETHERCUTT. Mr. Speaker, I rise today to address the needs of small businesses who employ America's dedicated Air and Army National Guard Reservists. Mounting numbers of contingency operations have pulled ever greater numbers of reservists out of the private sector and into full-time military service. I have introduced legislation, which is numbered H.R. 803, to cushion the blow of these reserve call-ups on small businesses.

The end strength of our Armed Forces has fallen by more than 1 million personnel since 1988, even as military contingency operations have increased to historically high levels. We have only been able to sustain this operations tempo because of an increasingly heavy reliance on reservists.

Total so-called "man days" contributed by reservists have nearly tripled since 1992, to over 13 million days. Without the services of these citizen soldiers, we would need an additional force of nearly 50,000 soldiers to maintain overseas commitments.

Mr. Speaker, reservists are willing to do their duty and serve when they are called, but increasingly frequent deployments have placed a new strain on reserve-employer relations. Most businesses are fully supportive of the military obligations of their employees, but even the most enthusiastic civilian employers are hard hit when their staff is sent overseas for months at a time, only to have the person return home and be called up again.

Evidence from the National Committee for Employer Support of the Guard and Reserve suggests that the

strain is increasing, resulting in a greater number of inquiries on the rights and responsibilities of employers.

Research by the Air Force Reserve has also demonstrated that the problem is growing. While only 3.5 percent of Air Force reservists indicated "serious" employer support problems, another 31 percent reported some degree of problems with employers. Of these reservists, 10 percent are considering leaving because of employer support problems. But the true magnitude of the problem is likely greatly understated as there is no comprehensive survey that is used to consistently evaluate reserve-employer relationships.

Now, the expense to small businesses of doing without a valued employee, or hiring and training a temporary replacement, is significant and the loss of productivity is equally difficult.

Mr. Speaker, this legislation, H.R. 803, would provide employers with a tax credit to compensate for employee participation in the individual ready reserves. Specifically, the legislation provides a credit equal to 50 percent of the amount of compensation that would have been paid to an employee during the time that that employee participates in contingency operations supporting missions in Bosnia and Southwest Asia.

The total allowable credit for each individual employee may not exceed \$2,000, or a maximum of \$7,500 for all employees. The legislation also extends the credit for self-employed individuals. The credit would offset at least some of the expense that reserve employers face and reduce tensions with employees.

Now, this legislation is only one step towards resolving a complex problem. It does not address the serious needs of public sector employees who can be impacted by contingencies as much as businesses. More important, it does not address the high operations tempo that is exacerbating reserve-employer relations and driving personnel out of the reserves. But I do think this bill is timely for it addresses two of the most pressing issues of the 106th Congress: taxes and military readiness.

Mr. Speaker, as Congress discusses proposals to reduce the tax burden on Americans, we must give serious thought to small businesses who have lost valued employees to overseas military operations. As we discuss pay and benefit packages for the active duty military, we must not forget the citizen soldiers who are the backbone of our Armed Forces and whose service is increasingly putting pressure on their full-time civilian employer.

Mr. Speaker, I encourage my colleagues to join me in making the Ready Credit, which is the name on this bill, a reality by cosponsoring H.R. 803.

WHO GETS THE CREDIT FOR THE BUDGET SURPLUS?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. SCHAFER) is recognized for 5 minutes.

Mr. SCHAFER. Mr. Speaker, last year, the Treasury Department announced that the Federal budget was in surplus for the first time since 1969. Only 3 short years ago, the President had submitted a budget with \$200 billion deficits as far as the eye could see, as many will recall.

What happened?

There are a lot of Americans who do not care much who gets the credit for the current fine state of our economy and then tend to take the President at his word when he takes the credit for the budget surplus we have at last achieved. But it is important to understand how we got here so that we may continue to a path of sound economic policy in the future.

When the country was faced with large, chronic deficits in the beginning of the 1990s, Congress faced a choice. To cut the deficit, lawmakers essentially had two choices: cut spending or raise taxes. President Clinton and his liberal allies in the Congress naturally chose to raise taxes. Congress at the time was still under the control of the Democrats, and so President Clinton was able to pass the largest tax increase in our history.

Republicans, on the other hand, wanted to reduce the deficit by cutting spending. Republicans believed government is too big, way too big, and they believe Washington wastes too much of our money. One would think this is an obvious point. After all, even the President himself declared in his 1996 State of the Union address that "the era of Big Government is over." Oh, if that were only true.

Mr. Speaker, we can see now that this declaration was nothing more than hollow words. Big Government is alive and well and bigger than ever. In fact, the Democrats have come back with still more ways to increase the size and power of government every year since, including this year.

And while we can say that government is slightly smaller now than it would be had Republicans not taken control of the Congress in 1995, the truth is that government continues to grow. Any attempts to cut government, no matter how wasteful or counterproductive the program, the liberals immediately attack them as extreme and "mean-spirited."

It has never occurred to them that it is perhaps mean-spirited on the part of the politicians to have so little respect for the working man's labor that Washington takes between one-fourth and one-third out of the middle-class family's paycheck just to pay Uncle Sam.

So, Mr. Speaker, that still leaves us with the question, how did we go from